



State of Wisconsin
Health Insurance Risk Sharing Plan (HIRSP)
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**Amendment to the Policy of the
Wisconsin Health Insurance Risk Sharing Plan (HIRSP)
Regarding Drug Benefits**

Effective January 1, 2002, the Wisconsin Health Insurance Risk Sharing Plan (HIRSP) is amending your HIRSP policy to separate drug benefits from medical benefits. Under the new drug benefit, policyholders pay a percentage of the HIRSP allowed amount for each prescription. This percentage is called the HIRSP drug coinsurance. Refer to page 3 for details.

This amendment contains only information regarding the new drug benefit. For full details about your HIRSP coverage, always refer to your HIRSP policy as well as any amendments.

**The following replaces paragraph
No. 5 under Part B. Term and
Renewal Agreement**

- (5) Receives a payment or reimbursement for a HIRSP premium, *HIRSP medical deductible*, *HIRSP medical coinsurance*, or *HIRSP drug coinsurance* amount from a federal, state, county, or municipal government, or one of its agencies. This does not apply to the statutorily exempt state programs for the following:
- (a) Vocational rehabilitation.
 - (b) Renal disease.

- (c) Hemophilia.
- (d) Cystic fibrosis.
- (e) Maternal and child health services.
- (f) Human immunodeficiency virus (HIV).

**The following replaces the applicable
definitions in Part E. Definitions**

Allowed amount is the amount that HIRSP would pay for *covered services* if the following did not apply: *HIRSP medical coinsurance*, *HIRSP medical deductible*, and *HIRSP drug coinsurance*.

Coinsurance definitions are listed under *HIRSP drug coinsurance*, *HIRSP medical coinsurance*, and *Medicare coinsurance*.

HIRSP medical coinsurance (also known as *HIRSP coinsurance*) is the percentage of the HIRSP *allowed amount* for which the *policyholder* is responsible for medical benefits. Wherever the HIRSP policy refers to *HIRSP coinsurance*, it means HIRSP medical coinsurance.

HIRSP medical deductible (also known as *HIRSP deductible*) is a defined amount for which the *policyholder* is responsible for medical benefits

before HIRSP will consider payment for a *covered service*. Wherever the HIRSP policy refers to *HIRSP deductible*, it means HIRSP medical deductible.

The following is added to Part E. Definitions

HIRSP drug coinsurance is the percentage of the HIRSP *allowed amount* for which the *policyholder* is responsible for drug benefits.

The following replaces Part I. Out-of-Pocket Costs

Out-of-pocket costs for *covered services* include:

- (1) *HIRSP medical deductible* and *HIRSP medical coinsurance*, subject to the individual and family medical out-of-pocket maximums described in this part of the HIRSP policy.
- (2) *HIRSP drug coinsurance*, subject to the *HIRSP drug coinsurance* out-of-pocket maximum described in this part of the HIRSP policy.

Medical Deductible

The *HIRSP medical deductible* amount for which the *policyholder* is responsible each *calendar year* for medical expenses is as follows:

Plan 1

- (a) **Option A:** \$1,000.00 or a reduced *HIRSP medical deductible* based on the *policyholder's* household income.
- (b) **Option B:** \$2,500.00.

Plan 2

\$500.00.

Amounts applied toward the *HIRSP medical deductible* during the last three months of a *calendar year* will also be applied to satisfy the *HIRSP medical deductible* for the new *calendar year*.

Medical Coinsurance

The *HIRSP medical coinsurance* amount for which the *policyholder* is responsible each *calendar year* for medical expenses is as follows:

Plan 1

When the *policyholder* incurs expenses for *covered services* due to an injury or illness, HIRSP will pay 80% of its *allowed amount* once the *policyholder* has met his or her annual *HIRSP medical deductible*. The *policyholder* is responsible for the remaining 20% of the *HIRSP allowed amount*.

After the *policyholder* satisfies the out-of-pocket maximum, *HIRSP medical coinsurance* no longer applies for the remainder of the *calendar year*. HIRSP will then pay 100% of the *allowed amount* for the *covered service* for the remainder of that *calendar year*.

Plan 2

HIRSP medical coinsurance does not apply.

Individual Medical Out-of-Pocket Maximum

The *policyholder's* individual medical out-of-pocket maximum includes all amounts applied to *HIRSP medical deductible* and *HIRSP medical coinsurance* within a *calendar year*. The medical out-of-pocket maximum for which the *policyholder* is responsible is as follows:

Plan 1

- (a) **Option A:** \$2,000.00.
- (b) **Option B:** \$3,500.00.

Plan 2

\$500.00.

Family Medical Out-of-Pocket Maximum

When referring to the family medical out-of-pocket maximum, **family** means two or more of the following persons, or any combination thereof, who are insured under HIRSP: either or both spouses and all dependent children of either spouse.

The *policyholder's* family medical out-of-pocket maximum includes all amounts applied within a *calendar year* to *HIRSP medical deductible* and *HIRSP medical coinsurance* for a family under the same HIRSP plan. The family medical out-of-pocket maximum for which the family is responsible is as follows:

Plan 1

(a) **Option A:** \$4,000.00.

(b) **Option B:** \$7,000.00.

Plan 2

\$1,000.00.

Drug Coinsurance

When the *policyholder* incurs expenses for the *covered services* indicated under Drug Benefits (Part R) due to an injury or illness, the *policyholder* will pay *HIRSP drug coinsurance* of 20% of the *HIRSP allowed amount* for each fill or refill for each prescription up to a maximum of \$25.00 per prescription. HIRSP pays the remainder of the *allowed amount*.

Policyholders do not pay *HIRSP medical deductible* or *HIRSP medical coinsurance* for prescription drugs and diabetic supplies.

Drug Coinsurance Out-of-Pocket Maximum

Policyholders are limited in the amount of *HIRSP drug coinsurance* they are required to pay in a *calendar year*. This limit is called the *HIRSP drug coinsurance out-of-pocket maximum*, which is different from the out-of-pocket maximum for *HIRSP medical*

deductible and *HIRSP medical coinsurance* in the following ways:

- (1) Amounts that the *policyholder* pays for *HIRSP drug coinsurance* only apply toward the *HIRSP drug coinsurance out-of-pocket maximum*.
- (2) Amounts that the *policyholder* pays for *HIRSP drug coinsurance* do not apply to the medical out-of-pocket maximums.
- (3) Amounts that the *policyholder* pays for *HIRSP medical deductible* and *HIRSP medical coinsurance* do not apply to the *HIRSP drug coinsurance out-of-pocket maximum*.

The *HIRSP drug coinsurance out-of-pocket maximum* for which the *policyholder* is responsible is as follows:

Plan 1

(a) **Option A:** \$750.00 or a reduced *HIRSP drug coinsurance out-of-pocket maximum* based on the *policyholder's* household income.

(b) **Option B:** \$1,000.00.

Plan 2

\$125.00.

After the *policyholder* satisfies the *HIRSP drug coinsurance out-of-pocket maximum*, HIRSP will pay 100% of the *HIRSP allowed amount* for the *covered service* for the remainder of the *calendar year*.

The following replaces the Payment in Full section of Part J. Reimbursement

Payment in Full

Providers are prohibited under law by Section 149.14(4m), Wisconsin Statutes, from billing the *policyholder* for the difference between the charge for a *covered service* and the amount paid by HIRSP, except for *HIRSP medical coinsurance*, *HIRSP drug coinsurance*, and *HIRSP medical deductible*.

The following replaces the first section of Part R. Drug Benefits (not including Refill Policy)

To be covered by HIRSP, the following drug benefits must be provided by *Medicaid*-certified *providers* who have agreed to participate in HIRSP's prescription drug program.

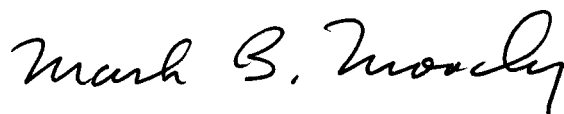
Subject to Exclusions and Limitations (Part T), HIRSP will pay benefits for prescription drugs and insulin prescribed by a *provider* and dispensed by a pharmacy for use by the *policyholder* at his or her home. These benefits include:

- (1) Prescription drugs, including drugs prescribed for the treatment of:
 - (a) Acquired Immunodeficiency Syndrome (AIDS) infection.
 - (b) Alcohol and other drug abuse (*AODA*) and mental and nervous disorders, as indicated under Part P of this policy.
- (2) Insulin and *disposable medical supplies* for the treatment of diabetes, including but not limited to test strips, lancets, insulin syringes, and test solutions. You must pay one *HIRSP drug coinsurance* per filled prescription.

This amendment supersedes any provision with which it is in conflict.

This amendment is attached to and is made a part of the policy and is effective January 1, 2002, or on your next renewal date thereafter.

This amendment is signed for HIRSP by



**Mark Moody
Administrator, Division of Health Care Financing
Chairman, Health Insurance Risk Sharing Plan Board of Governors**